

Project Abstract

The State of Vermont has a long history of proactively addressing health care delivery and health care system financing. In 1992 the Vermont General Assembly mandated that the individual and small group health insurance markets be community rated and sold on a guaranteed issue basis. Vermont's public programs likewise provide high-quality, affordable health care to a wide range of its citizens. The Dr. Dynasaur program serves children in families with income below 300% FPL, and the Vermont Health Access Plan (VHAP) provides coverage for childless adults up to 150% FPL and adults with children up to 185% FPL.

In 2006 the General Assembly passed comprehensive health care reform legislation that created the Catamount Health program. Catamount Health, a private insurance product offered by two Vermont non-profit insurance carriers, is available to Vermonters who have been uninsured for 12 or more months. For individuals with incomes below 300% FPL, a premium subsidy is available. Implementation of Catamount Health was the culmination of a highly successful partnership among several state agencies (including the Department of Vermont Health Access (DVHA) and the Department of Banking, Insurance, Securities, and Health Care Administration (BISHCA)), private insurance carriers, and many community organizations. This strong working partnership still exists today and puts Vermont in an excellent position to create an American Health Benefit Exchange pursuant to the Affordable Care Act of 2010.

This grant application is the result of the collaborative effort of DVHA and BISHCA. Under this grant, Vermont is proposing to accomplish the following tasks:

- Develop a roadmap for planning for the Exchange
- Analyze data from a 2009 Vermont household health insurance survey to gain a better understanding of the uninsured population
- Analyze the current insurance market to determine the quality and type of health insurance coverage, the appropriate regulatory environment for implementing the Exchange, and the potential impacts on the market of various options.
- Conduct focus groups to obtain stakeholder input on the goals for the Exchange
- Assess current programs and integration opportunities in both the public and private sectors
- Analyze the effects of “churning” in current programs and strategies for decreasing the churn rate
- Assess various Exchange organizational models and the policy and fiscal implications of each, as well as resources needed to operate the Exchange
- Model potential funding mechanisms to achieve Exchange sustainability
- Develop proposed legislation for the 2011 and 2012 sessions
- Create an implementation plan for the chosen Exchange design.

The budget for the tasks described above for the first planning year is estimated to be \$1 million. We are confident that Vermont can build on its existing program and market infrastructure to create a successful American Health Benefit Exchange.